

**Supplemental Reporting Document
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March 2011 Investment Committee Meeting
(January 2011 Reporting Period)**

Chief Investment Officer's/Chief Operating Investment Officer's Report

Asset Allocation

Performance

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Disclosure of Closed Session Action Items (No items to report)

TARGET PERCENTAGE COMPARISON

ASSET ALLOCATION ¹

As of January 31, 2011

(A)	(B)	(C)	(D)	(E)
<u>Asset Class</u>	<u>Actual Allocation</u> (%)	<u>Target²</u> (%)	<u>Target Range²</u>	<u>Difference (B-C)</u> (%)
Domestic Equity ³	24.8	24.5		0.3
International Equity	<u>28.0</u>	<u>24.5</u>		<u>3.5</u>
Global Equity	52.8	49.0	44-54%	3.8
Domestic Fixed Income	19.3	18.0		1.3
International Fixed Income	<u>1.5</u>	<u>2.0</u>		<u>-0.5</u>
Global Fixed Income	20.8	20.0	15-25%	0.8
AIM	14.1	14.0	9-19%	0.1
Real Estate	7.3	10.0	5-15%	-2.7
Inflation Linked	3.0	5.0	2-5%	-2.0
Cash Equivalents	2.0	2.0	0-5%	0.0
Total Fund	<u><u>100.0</u></u>	<u><u>100.0</u></u>		

¹ As allocated to managers.

² Asset Allocation Targets approved by Investment Committee in June 2009.

³ Included is MDP Investment: LM Capital Investment: Total Market Value = **\$247.7 million**

* Figures for this report are rounded for viewing purposes. Calculations are based on actual values.
When summing net amounts on this report, there may be breakage.

TARGET DOLLAR COMPARISON ASSET ALLOCATION

As of January 31, 2011

(A) <u>Asset Class</u>	(B) Actual <u>Allocation</u> (\$ Billion)	(C) <u>Target</u> ¹ (\$ Billion)	(D) Difference <u>(B-C)</u> (\$ Billion)
Domestic Equity ²	56.5	55.8	0.7
International Equity	<u>63.7</u>	<u>55.8</u>	<u>7.9</u>
Global Equity	120.3	111.7	8.6
Domestic Fixed Income	44.1	41.0	3.1
International Fixed Income	<u>3.4</u>	<u>4.6</u>	<u>-1.2</u>
Global Fixed Income	47.5	45.6	1.9
AIM	32.2	31.9	0.3
Real Estate	16.6	22.8	-6.2
Inflation Linked	6.8	11.4	-4.6
Cash Equivalents	4.5	4.6	0.0
Total Fund	<u><u>227.9</u></u>	<u><u>227.9</u></u>	

¹ Based upon Strategic Asset Allocation Target Percentage of total fund, approved by Investment Committee June 2009

² Included is MDP Investment: LM Capital Investment: Total Market Value = **\$247.7 million**

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MONTHLY PROGRESS REPORT

ASSET ALLOCATION ¹

As of January 31, 2011

(A)	(B)	(C)	(D)	(E)
<u>Asset Class</u>	12/31/2010 Actual Allocation (\$ Billion)	1/31/2011 Actual Allocation (\$ Billion)	Difference (C-B) (\$ Billion)	Target ² (\$ Billion)
Domestic Equity ³	55.4	56.5	1.2	55.8
International Equity	<u>63.3</u>	<u>63.7</u>	<u>0.5</u>	<u>55.8</u>
Global Equity	118.6	120.3	1.6	111.7
Domestic Fixed Income	44.2	44.1	-0.1	41.0
International Fixed Income	<u>3.4</u>	<u>3.4</u>	<u>0.0</u>	<u>4.6</u>
Global Fixed	47.5	47.5	-0.1	45.6
AIM	31.7	32.2	0.5	31.9
Real Estate	16.6	16.6	0.0	22.8
Inflation Linked	6.7	6.8	0.1	11.4
Cash Equivalents	4.5	4.5	0.0	4.6
Total Fund	<u><u>225.7</u></u>	<u><u>227.9</u></u>	<u><u>2.2</u></u>	<u><u>227.9</u></u>

¹ Monthly progress report toward policy targets.

² Based upon Strategic Asset Allocation Target Percentage of total fund, approved by Investment Committee June 2009

³ Included is MDP Investment: LM Capital Investment: Total Market Value = **\$247.7 million**

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BOOK VS MARKET VALUE

As of January 31, 2011

(A)	(B)	(C)	(D)
<u>Asset Class</u>	<u>Book Value</u> ²	<u>Market Value</u> ³	Difference
	(\$ Billion)	(\$ Billion)	(C - B)
			(\$ Billion)
Domestic Equity ¹	38.7	56.5	17.8
International Equity	<u>56.8</u>	<u>63.7</u>	<u>6.9</u>
Global Equity	95.5	120.3	24.8
Domestic Fixed Income	33.8	44.1	10.3
International Fixed Income	<u>3.2</u>	<u>3.4</u>	<u>0.2</u>
Global Fixed Income	37.1	47.5	10.4
AIM	33.3	32.2	-1.1
Real Estate	22.5	16.6	-6.0
Inflation Linked	6.3	6.8	0.6
Cash Equivalents ⁴	<u>4.7</u>	<u>4.5</u>	<u>-0.2</u>
Total Fund	<u><u>199.4</u></u>	<u><u>227.9</u></u>	<u><u>28.5</u></u>

¹ Included is MDP Investment- LM Capital Investment: Total Book Value= **\$239.3 million**, Total Market Value=**\$247.7 million**.

² Total value of assets at cost minus liabilities.

³ Total value of assets at market.

⁴ Currency Overlay Funds are included in Cash value.

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GROSS PERFORMANCE VS EXPECTED RETURNS

One Year

February 1, 2010 to January 31, 2011

(A)	(B)	(C)	(D)	(E)	(F)
<u>Asset Class</u>	<u>Actual Allocation</u> (%)	<u>Asset Return</u> (%)	<u>CalPERS Long-Term Expected Annual Return</u> ¹ (%)	<u>Expected Standard Deviation</u> ¹ (%)	<u>One Standard Deviation Range</u> (%)
Domestic Equity	24.8	23.6	7.00	15.50	-8.50 - 22.50
International Equity	<u>28.0</u>	19.3	7.00	17.50	-10.50 - 24.50
Global Equity	52.8	21.1			
Domestic Fixed Income	19.3	9.6			
International Fixed Income	<u>1.5</u>	8.1			
Global Fixed Income	20.8	9.3	3.00	6.50	-3.50 - 9.50
AIM	14.1	22.8	10.00	25.00	-15.00 - 35.00
Real Estate	7.3	-3.3	6.00	17.00	-11.00 - 23.00
Inflation Linked	3.0	11.0	4.00	5.75	-1.75 - 9.75
Cash Equivalents	<u>2.0</u>	<u>0.3</u>	<u>1.25</u>	<u>1.50</u>	<u>-0.25 - 2.75</u>
Total Fund	<u><u>100.0</u></u>	<u><u>15.5</u></u>	<u><u>8.46</u></u>	<u><u>11.40</u></u>	<u><u>-2.94 - 19.86</u></u>

¹ Investment Committee Meeting December 2007

Note: Equity overlay funds are included in International Equity, currency overlay funds are included in Cash and the Global Equity Cash Account is included in Domestic Equity and the Domestic Fixed Income Transition Account is included in Domestic Fixed Income

* Figures for this report are rounded for viewing purposes. Calculations are based on actual values.

When summing net amounts on this report, there may be breakage.

NET PERFORMANCE VS EXPECTED RETURNS

One Year

February 1, 2010 to January 31, 2011

(A)	(B)	(C)	(D)	(E)	(F)
<u>Asset Class</u>	<u>Actual Allocation</u> (%)	<u>Asset Return</u> (%)	<u>CalPERS Long-Term Expected Annual Return</u> ¹ (%)	<u>Expected Standard Deviation</u> (%)	<u>One Standard Deviation Range</u> (%)
Domestic Equity	24.8	23.5	7.00	15.50	-8.50 - 22.50
International Equity	<u>28.0</u>	19.2	7.00	17.50	-10.50 - 24.50
Global Equity	52.8	21.0			
Domestic Fixed Income	19.3	9.6			
International Fixed Income	<u>1.5</u>	8.0			
Global Fixed Income	20.8	9.3	3.00	6.50	-3.50 - 9.50
AIM	14.1	22.8	10.00	25.00	-15.00 - 35.00
Real Estate	7.3	-4.6	6.00	17.00	-11.00 - 23.00
Inflation Linked	3.0	10.5	4.00	5.75	-1.75 - 9.75
Cash Equivalents	2.0	0.3	1.25	1.50	-0.25 - 2.75
Total Fund	<u><u>100.0</u></u>	<u><u>15.4</u></u>	<u><u>8.46</u></u>	<u><u>11.40</u></u>	<u><u>-2.94 - 19.86</u></u>

¹ Investment Committee Meeting December 2007

Note: Equity overlay funds are included in International Equity, currency overlay funds are included in Cash and the Global Equity Cash Account is included in Domestic Equity and the Domestic Fixed Income Transition Account is included in Domestic Fixed Income

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GROSS RETURNS

One Year

February 1, 2010 to January 31, 2011

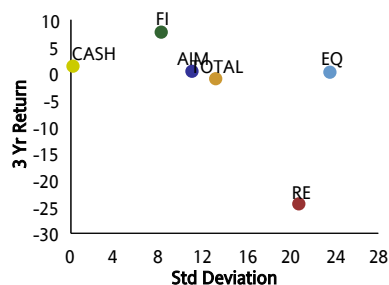
	(A)	(B)	(C)
<u>Asset Class</u>	<u>Reported Gross Return</u>	<u>Expenses</u>	<u>Net Return (A-B)</u>
Domestic Equity	23.62%	0.12%	23.50%
International Equity	19.28%	0.05%	19.23%
Global Equity	21.10%	0.08%	21.02%
Domestic Fixed Income	9.61%	0.00%	9.61%
International Fixed Income	8.11%	0.14%	7.97%
Global Fixed Income	9.32%	0.01%	9.31%
AIM	22.81%	0.01%	22.80%
Real Estate	-3.25%	1.32%	-4.57%
Inflation Linked	10.95%	0.44%	10.51%
Cash Equivalents	0.29%	0.00%	0.29%
Total Fund	15.54%	0.17%	15.37%

Plan Performance Summary

Gross of Manager Fees

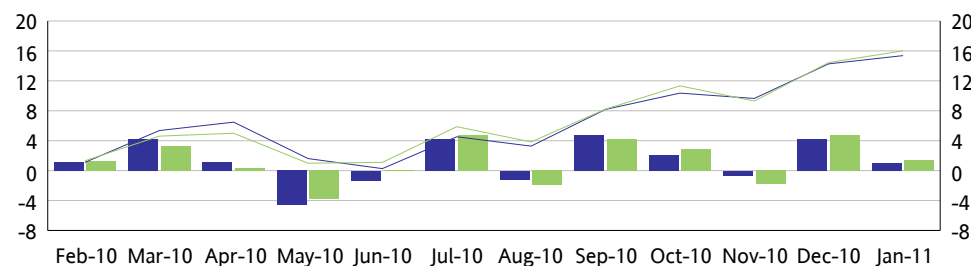


Risk Profile



	Information Ratio	Tracking Error
TOTAL FUND	-1.07	3.77
TOTAL GLOBAL EQUITY	-0.82	1.24
TOTAL GLOBAL FIXED INCOME	0.28	4.19
TOTAL AIM	-0.68	15.11
TOTAL REAL ESTATE	-1.33	17.18
TOTAL CASH EQUIVALENTS	1.77	0.04

Cumulative Performance vs Benchmark



■ Total Plan ■ CALPERS POLICY INDEX (DAILY)

Performance Summary

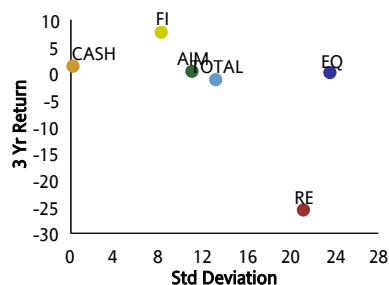
	% of Plan	MKT VAL \$(000's)	1 Month	Quarterly	YTD	1 Year	3 Year	5 Year	10 Year	ITD	Inception Date
TOTAL GLOBAL EQUITY <i>TOTAL GLOBAL EQ EX AIM BENCHMARK (DAILY)</i>	52.8%	120,268,181	1.39 1.46	6.86 6.80	26.02 26.02	21.10 20.71	-0.07 0.95	2.84 3.60	3.29 3.48	8.61 8.52	7/1/1992
TOTAL GLOBAL FIXED INCOME <i>CalPERS Total GBL Fixed Income Policy (DAILY)</i>	20.5%	46,804,119	0.19 -0.31	-1.86 -3.12	3.30 1.53	9.32 6.74	7.43 6.26	7.40 6.50	7.41 6.70	8.70 7.95	7/1/1988
TOTAL AIM <i>WILSHIRE 2500 + 300 BPS 1 QTR LAG / CYFU</i>	14.1%	32,218,730	1.37 4.10	8.05 8.97	10.63 4.48	22.81 21.60	0.10 10.33	8.94 13.25	5.89 5.61	9.38 10.86	3/1/1990
TOTAL REAL ESTATE <i>90% NPI+200 BPS / 10% FTSE EP</i>	7.3%	16,589,629	0.10 0.28	3.50 4.27	3.14 10.36	-3.25 10.08	-24.74 -1.95	-8.70 5.40	4.06 8.14	7.85	7/1/1982
TOTAL INFLATION LINKED <i>CPI+400 BPS 1 MONTH LAGGED</i>	3.0%	6,829,067	1.28 0.50	4.33 1.33	9.68 2.78	10.95 5.55	0.76 5.49			2.22 5.65	10/1/2007
TOTAL CASH EQUIVALENTS <i>PERS CUSTOM STIF NET OF FEES (DAILY)</i>	2.1%	4,721,608	0.02 0.02	0.07 0.06	0.19 0.17	0.28 0.24	1.06 0.99	2.72 2.65	2.65 2.46	3.97 3.66	7/1/1992
OVERLAY + ASSET ALLOC TRANSITION	0.2%	480,943									11/1/2008
TOTAL FUND <i>CALPERS POLICY INDEX (DAILY)</i>	100.0%	227,912,277	0.97 1.37	4.59 4.21	15.16 14.74	15.54 16.01	-1.29 2.75	2.88 5.11	4.39 5.06	8.74	7/1/1988

Plan Performance Summary

Net of Manager Fees

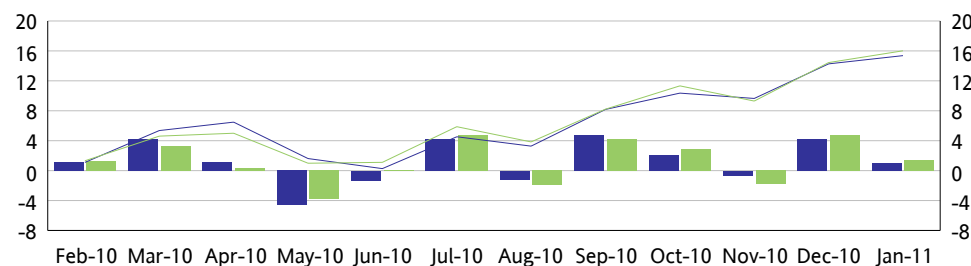


Risk Profile



	Information Ratio	Tracking Error
TOTAL FUND	-1.11	3.81
TOTAL GLOBAL EQUITY	-0.87	1.25
TOTAL GLOBAL FIXED INCOME	0.28	4.19
TOTAL AIM	-0.68	15.11
TOTAL REAL ESTATE	-1.36	17.66
TOTAL CASH EQUIVALENTS	1.77	0.04

Cumulative Performance vs Benchmark



■ Total Plan ■ CALPERS POLICY INDEX (DAILY)

Performance Summary

	% of Plan	MKT VAL \$(000's)	1 Month	Quarterly	YTD	1 Year	3 Year	5 Year	10 Year	ITD	Inception Date
TOTAL GLOBAL EQUITY <i>TOTAL GLOBAL EQ EX AIM BENCHMARK (DAILY)</i>	52.8%	120,268,181	1.39	6.83	25.96	21.02	-0.13	2.77	3.24	8.57	7/1/1992
			1.46	6.80	26.02	20.71	0.95	3.60	3.48	8.52	
TOTAL GLOBAL FIXED INCOME <i>CalPERS Total GBL Fixed Income Policy (DAILY)</i>	20.5%	46,804,119	0.19	-1.87	3.30	9.31	7.42	7.39	7.39	8.69	7/1/1988
			-0.31	-3.12	1.53	6.74	6.26	6.50	6.70	7.95	
TOTAL AIM <i>WILSHIRE 2500 + 300 BPS 1 QTR LAG / CYFU</i>	14.1%	32,218,730	1.37	8.05	10.62	22.80	0.10	8.93	5.88	9.38	3/1/1990
			4.10	8.97	4.48	21.60	10.33	13.25	5.61	10.86	
TOTAL REAL ESTATE <i>90% NPI+200 BPS / 10% FTSE EP</i>	7.3%	16,589,629	0.10	3.09	2.40	-4.57	-25.88	-10.69	1.56	6.55	7/1/1982
			0.28	4.27	10.36	10.08	-1.95	5.40	8.14		
TOTAL INFLATION LINKED <i>CPI+400 BPS 1 MONTH LAGGED</i>	3.0%	6,829,067	1.28	4.26	9.53	10.51	0.35			1.84	10/1/2007
			0.50	1.33	2.78	5.55	5.49			5.65	
TOTAL CASH EQUIVALENTS <i>PERS CUSTOM STIF NET OF FEES (DAILY)</i>	2.1%	4,721,608	0.02	0.07	0.19	0.28	1.06	2.72	2.65	3.97	7/1/1992
			0.02	0.06	0.17	0.24	0.99	2.65	2.46	3.66	
OVERLAY + ASSET ALLOC TRANSITION	0.2%	480,943									11/1/2008
TOTAL FUND <i>CALPERS POLICY INDEX (DAILY)</i>	100.0%	227,912,277	0.96	4.54	15.06	15.37	-1.47	2.66	4.17	8.61	7/1/1988
			1.37	4.21	14.74	16.01	2.75	5.11	5.06		

CALPERS INVESTMENTS IN CALIFORNIA as of January 31, 2011

(A)	(B)	(C)	(D)	(E)	(F)
	Portfolio Value	California Investments plus Additional Commitments ¹	California Investments	CA Investment as % of Asset Class (D/B)	
<u>Asset Class</u>	<u>(\$ millions)</u>	<u>(\$ millions)</u>	<u>(\$ millions)</u>	<u>%</u>	<u>Program Description or Assumption</u>
EQUITY					
Domestic Equity	56,534.7	7,744.2	7,744.2	14	CA investment is approximately 12%
International Equity ²	<u>63,740.7</u>	<u>23.3</u>	<u>23.3</u>	<u>0</u>	
Global Equity	120,275.4	7,767.4	7,767.4	6 %	
FIXED INCOME					
Domestic Fixed Income	44,092.0	5,558.9	5,558.9	13	
International Fixed Income	<u>3,373.1</u>	<u>0.0</u>	<u>0.0</u>	<u>0</u>	
Global Fixed Income	47,465.1	5,558.9	5,558.9	12 %	
AIM					
AIM	32,218.7	5,464.4	3,481.0	11 %	
REAL ESTATE					
Real Estate	16,589.6	4,504.3	3,243.0	20 %	Outstanding commitments (column C-column D/column B): 7.6%
INFLATION LINKED					
Inflation Linked	6,829.1	74.0	74.0	0 %	
CASH / CASH EQUIVALENTS					
Cash / Cash Equivalents	4,534.4	0.0	0.0	0 %	
TOTAL FUND	<u>227,912.3</u>	<u>23,369.1</u>	<u>20,124.3</u>	9 %	Outstanding commitments (column C/column B): 10.3%

¹ Total actual investments at market value and outstanding program commitments in California

² International equity includes global funds that may invest globally, which would include investments in the State of California

Note: Due to reporting constraints, the California Investments in Real Estate are as of November 30, 2010.

Due to reporting constraints, the California Investments in Inflation Linked Assets are as of December 31, 2010.

AIM company investments are as of September 30, 2010 and commitments to partnerships focused on California are as of January 31, 2011

When summing net amounts on this report, there may be breakage.